



**AN EMPIRICAL INVESTIGATION ON THE DETERMINANTS OF  
MACROECONOMICS THAT INFLUENCE THE STOCK TRADE TURNOVER RATIO  
IN MALAYSIA**

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## **DECLARATION OF ORIGINAL WORK**



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### **“DECLARATION OF ORIGINAL WORK”**

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(911128-04-5417)

Hereby, declare that,

- This paper work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degree.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

date: \_\_\_\_\_

## **LETTER OF SUBMISSION**

8<sup>TH</sup> January 2015

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
Kampus Bandaraya Melaka

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “An Empirical Investigation On The Determinants Of Macroeconomics That Influence The Stock Trade Turnover Ratio In Malaysia.” To fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara (UiTM)

Thank you

Yours sincerely

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## **ABSTRACT**

This paper studies the relationship between macroeconomic factors and the stock trade turnover ratio in Malaysia using survey from World Bank Data for 1993 until 2012. We argued in determine a favorable functional form of turnover ratio for stock trade for each year, thus, applying the time series of the model parameter in term of macroeconomics factors as this better allow us to take into account unaffected variables in the time series. Estimates from model that relate the stock trade turnover ratio to the selected variables in first differences is Inflation, Consumer Price Index and Exchange rate have significant effect on the stock trade turnover ratio. Compared to the commonly used method of modeling the turnover ratio of stock trade directly, our approach indicates that there was no clear cut relationship between macroeconomic factors and stocks trade turnover ratio in Malaysia for the last 20 years.

Key Word: Inflation, Consumer Price Index, Exchange rate, Macroeconomic, World Bank

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